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C O N F I D E N T I A L SECTION 01 OF 04 UNVIE VIENNA 000435

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SUBJECT: ISRAEL/LEBANON UPDATE ON THREAT RESOLUTION, WEOG

REF: UNVIE 421

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Classified By: Ambassador Gregory L. Schulte for 1.5 reasons b, d

Summary

- 11. (C) Israel Ambassador Michaeli told Ambassador Schulte that he hopes the EU can head off an Israel-specific agenda item at the September General Conference (GC), but he was not optimistic. Despite divisions within the Arab group, Michaeli thought that a Israeli threat resolution would likely be added to the GC agenda. Israel was &reluctant8 about a U.S. suggestion that the Director General revive the Forum on a Middle East Nuclear Weapons Free Zone (MENWFZ), but did not want to close the door either, as long as it were based on the agreed 2004 agenda. Michaeli also raised concerns about the Secretariat,s annual report to the GC on the Middle East, which he thought should take the Iran situation into account. The Ambassador, as WEOG Chair (and based on the previous chairs efforts) offered to invite Israel to join the group. Michaeli welcomed the offer.
- 12. (C) Summary Continued: Lebanese Charge Kabalan reported that the Arab Group had found the EU proposals unsatisfactory and was moving ahead with a request for an Israeli Nuclear Threat Agenda item. He reported that most Arab Group members wanted to "ring the bell" on Israel but were open to compromise. The Lebanese hoped a creative solution could be reached before the General Conference and was open to the idea of reviving the Middle East Forum on a NWFZ. Lebanon is likely to be the President for the General Conference. End Summary.

Israeli Nuclear Threat

13. (C) Israeli Ambassador Michaeli briefed the Ambassador July 10 on the status of EU negotiations with the Arab group regarding a possible General Conference Agenda Item on the Israeli nuclear threat (reftel). IAEA Israeli Ambassador Israel Michaeli recounted his latest discussions with Portuguese Ambassador Durante, who is negotiating on behalf of the EU to deflect a potential Arab group-sponsored General Conference agenda item on the &Israeli Nuclear Threat8

(reftel). According to Durante, the Arab group is still insisting on a second agenda item, in addition to the Middle East Safeguards resolution. Duarte reportedly asked Michaeli if another agenda item on the Middle East that does not single out Israel in the title would be acceptable. (Note: In earlier discussions with the EU, Israel had rejected dropping the word &threat8 as insufficient because the agenda item would still single out Israel. End note). Michaeli told Durante that he would not be in a position to support such a proposal without instructions, but that the Portuguese could go ahead and float it with the Arab group. Michaeli expressed skepticism about a second Middle East agenda item because Israel could still be singled out in the text of a resolution. He noted that last year's GC resolution on Middle East safeguards, which Israel and the U.S. voted against, included a factual reference to Israel as the only Middle East country that has not signed the NPT. any case, the Arab group is rumored to have rejected this latest proposal. Michaeli urged Durante to not renounce the threat of a procedural move by the EU, the Arab group's main concern, to scuttle a resolution as happened in last year's GC. He noted the mere threat of a procedural motion had been enough to prevent Arab group action in the CTBTO. Durante took this point under advisement.

(C) The Arab group appears to be split on the &Israeli Nuclear Threat8 issue. Michaeli reported that the Maghreb countries would just as soon give it up while Egypt would like to defer the agenda item until next year. Interestingly, before leaving on vacation, the Omani Arab group chair will hand off negotiations on this issue to Morocco and Algeria, who are more inclined to compromise. However, Iran is pushing Syria forward and Egypt has a strategic connection to Syria. Thus Michaeli saw no reason for optimism, but he did note a willingness among the Arab group to do things &differently8 in last year's UNGA First

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Committee and the NPT Review Conference. He had no new information on timing but expected the Arab group was just waiting for the conclusion of the July 9 Board of Governors meeting before submitting the agenda item (Note: so that it would not be raised in the Board session).

15. (C) The Ambassador related that he had expressed U.S. concerns to the EU and advocated a single resolution and single agenda item adopted by consensus. He reminded them that last year's GC had clearly voted the &Israeli Nuclear Threat8 item off the agenda. He advised the EU that changing the title to drop the word &threat8 was not helpful and that Iran was much more deserving of a country specific resolution. Michaeli stipulated that no the Prime Minister himself would determine Israel's position on a specific proposal.

Arab Group Moving Ahead

16. (C) In a July 11 meeting with the Ambassador, Lebanese Charge Bilal Kabalan said the Arab group had resubmitted the second agenda item on Israel, including the word "threat." According to the Secretariat, however, the Omani Arab Group Chair subsequently asked, for a second time, for the item to be held. The Secretariat noted the more than usual Arab Group hesitation on this second agenda item, but nonetheless fully expected that it would be re-submitted very soon. The Lebanese reported that Arab group members had been dissatisfied with EU proposals because they received nothing in return. Not mentioning Israel by name was a non-starter for Lebanon. The Arab group wanted to "ring the bell" on Israel, but most were open to compromise. He said four (unnamed) countries were leading the debate in the Arab group, two hardliners and two "liberals." Last year Syria and Sudan had led the charge, and part of the problem was that there had been no good alternative proposal, he said.

Arab group members had misperceived compromise Presidential Statement language (actually drafted by South Africa) as a U.S.-Israeli initiative. Kabalan appealed for "creative" and constructive solutions but noted that most Arab group Ambassadors were not outside-the-box thinkers. Lebanon did not want to legitimize the Israeli nuclear program nor draw any links between this issue and that of Iran.

- ¶7. (C) Kabalan hoped that an understanding could be reached before the September General Conference (Note: The next GC President is likely to be from Lebanon. The Lebanese government will nominate Mouin Hamzi, head of the National Council on Scientific Research. End Note). He recommended demarching capitals, particularly Cairo. He also noted that there would be several new Ambassadors in Vienna, including from Syria, Egypt and Lebanon.
- 18. (C) The Ambassador agreed that early action was needed to prevent a debacle in the General Conference. If need be, however, we were ready to repeat last year's vote. The Ambassador advised that the U.S. preferred a single agenda item and one resolution. He warned against politicizing the GC by singling out Israel, and noted that this could lead to pressure for an Iran resolution. Several constructive solutions were possible, including a single resolution that advances the forum for a Nuclear Weapons Free Zone (NWFZ), but he feared that not everyone was interested in a constructive outcome.

Forum on MENWFZ

19. (C) The Ambassador asked Michaeli about reviving the Middle East Forum on a NWFZ, on which Egypt and Israel came close to agreement in 2004. Michaeli said that his government would not be &very happy8 about a Forum but they did not want to close the door either. He noted that tensions had increased in the Middle East since 2004, especially on Iran. However, if such a Forum were based on &known elements,8 meaning the agreed 2004 agenda, Israel could countenance it. Speaking on a personal basis, Michaeli did not see many points of leverage with the Egyptians, except U.S. pressure to agree to a Forum. The fact that there would soon be a new Egyptian Ambassador to IAEA, and

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that Egypt seemed inclined to take a different approach on Iran in other fora were hopeful signs. For example, he noted that the Arab group had agreed to include text on compliance in the NPT conference, which they had not done in the GC.

110. (C) The Ambassador also raised reviving the Middle East Forum with the Lebanese. Kabalan was well-disposed and said he had also raised the idea with the Arab group last March. Even the Iranian Ambassador was (unofficially) open to a Forum, according to Kabalan. The Syrians and others believed that the Israelis would not agree.

DG,s Middle East Report to GC

Director Vilmos Cserveny regarding the DG,s annual report to the General Conference on Middle East Safeguards. Israel had harshly criticized last year,s report because it did not adequately reflect rising tensions in the region due to Iran's nuclear program, or discuss the latter,s impact on safeguards. At a minimum, the report should refer to UNSCR and BOG resolution language on this subject (references which Israel did not support). The Secretariat was unwilling to reflect Israel's position that a NWFZ is linked to the ME peace process. Michaeli nonetheless believed that the report

could &do a lot8 and offered to share Israel's recommended language with the U.S. (Note: He seemed to be angling for

111. (C) Michaeli also related his discussions with EXPO

WEOG

112. (C) The Ambassador noted that previous WEOG Chair, UK Ambassador Macgregor, had asked members for opinions about inviting Israel to be a member. The Ambassador told Michaeli that, since there were no complete objections, he was inclined to proceed with the invitation at some point during U.S. chairmanship during the next six months. Michaeli welcomed US efforts. He said had held a series of consultations. In addition to the U.S., Germany had expressed support and the UK promised to do so. Australians expected New Zealand to be problematic (though not formally object) as they had been in the UNGA First Committee. Norway has problems with Israel's nuclear policy; Ireland and Italy have sometimes raised issues; and many of the Mediterranean countries are closer to the Arabs, he surmised. However, in all other UN organizations, no WEOG delegation has formally objected to Israel's WEOG membership, including in UNGA, Geneva, OPCW, etc. It should be even easier in the IAEA, he argued, since WEOG does not have an electoral function in terms of nominating Board members. (Note: Under the IAEA statute, Western Europe and North America are represented separately on the Board of Governors.) He acknowledged concerns expressed by some delegations over WEOG deliberations on the General Conference Middle East agenda item(s) but offered to sit out those deliberations.

113. (SBU) Outgoing WEOG Chair, UK Ambassador Macgregor sent the following letter to WEOG members on this issue on June 29:

Dear Colleagues:

I am grateful to members of WEOG for their cooperation during the six months when I have been Chair. We have had a number of useful briefings and exchanges.

The main piece of outstanding business is the request of Israel to become a member of the group. I have mentioned this twice during my Presidency, and asked group members to let me know whether they support or oppose this idea.

I thought I would let you know that no-one has expressed complete opposition, and two have expressed support. Others have raised the question of how one would tackle Middle East questions in the group e.g. in connection with the General Conference, if Israel was a member.

So this is simply to record that no decision has been taken on this point and the matter therefore remains to be pursued

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under Greg's Chairmanship of WEOG, as appropriate.

Many thanks again for your help and support.

Yours,

John Macgregor

Comment

114. (C) We will continue to work with our EU and Middle East colleagues in Vienna to underscore that we think an Israeli-specific agenda item at the CG is inappropriate absent a similar Iran agenda item. Furthermore, the Board has already linked the Iran issue in its February 2006 resolution, to a MENWFZ. Per reftel, demarches in capitals and a high-level approach to Egypt could help move this issue in the right direction. Since the UK has prepared the ground

for inviting Israel to join WEOG, it is incumbent on us to follow-through during our chairmanship. We are, however, still considering whether to make the invitation before or after the General Conference.

SCHULTE